

Office of Personnel Management

§ 841.404

defined in section 8401(20) of title 5, United States Code.

Family characteristics of annuitants means, based on the annuitant's age and sex, and in some cases, on the type of annuity (regular, disability, or deferred), the number and average age of child survivors at the death of the annuitant, the percentage of annuitants with an annuity reduced to provide survivor benefits, the percentage of annuitants who actually leave a surviving spouse entitled to a survivor annuity at the annuitant's death, and the average age of the surviving spouse.

Family characteristics of employees means, based on the employee's age at death and sex, the number and average age of child survivors and the average age of the surviving spouse, per death of an employee with a survivor.

FERS means chapter 84 of title 5, United States Code.

Involuntary retirement rates means, by age and sex of the employee, the rate of involuntary retirements (discontinued service and optional early retirements).

Merit salary increases means salary increases, by age and length of service, that are not general salary increases. "Merit salary increases" include promotions and within-grade and similar increases based in whole or in part on employee performance, but do not include comparability increases, Postal Service COLA, or similar adjustments to entire pay scales; or premium pay.

Military service rates means the fraction, by age and sex, of employees who have military service to all employees, and the average length of military service and the salary on which their deposits to receive credit for military service are based for these employees.

Normal cost percentage or *normal cost* means the entry-age normal cost of the provisions of FERS which relate to the Fund, computed by the Office in accordance with generally accepted actuarial practice and standards (using dynamic assumptions) and expressed as a level percentage of aggregate basic pay.

Service means all creditable service, including military service, rounded to the nearest number of years as of the beginning of the fiscal year.

Single agency rate means a normal cost percentage for one category of employees in one agency. A single agency rate is set under § 841.412 as a result of a successful appeal.

Voluntary retirement rates means the rate, based on the sex, age, and service of the employee, of regular longevity retirements.

Withdrawal rates means the rate at which employees leave FERS-covered service without retiring, including employees who are paid refunds and employees who take deferred retirement. These rates are of two types: "not offset for reentry" and "offset for reentry." These rates are by age and service.

§ 841.403 Categories of employees for computation of normal cost percentages.

Normal cost percentages will be determined for each of the following groups of employees:

- (a) Members;
- (b) Congressional employees;
- (c) Law enforcement officers, firefighters, and employees under section 302 of the Central Intelligence Agency Act of 1964 for Certain Employees;
- (d) Air traffic controllers;
- (e) Military reserve technicians;
- (f) Employees under section 303 of the Central Intelligence Agency Act of 1964 for Certain Employees when serving abroad;
- (g) All other employees.

[52 FR 25196, July 6, 1987]

§ 841.404 Demographic factors.

(a) The Office of Personnel Management (OPM) will consider the factors listed below in determining normal cost percentages. To the extent data are available for the factor by specific category of employees, such data will be used. To the extent category specific data are not available, the most relevant available data will be used.

- (1) Distributions of new entrants by age, sex, and service;
- (2) Withdrawal rates;
- (3) Merit salary increases;
- (4) Voluntary retirement rates;
- (5) Involuntary retirement rates;
- (6) Disability retirement rates;
- (7) Employee death rates;
- (8) Military service rates;